

Funding & Partnerships Action Items 1: Capital Budget request related to Puget Sound

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Proposed Action

Approval of a prioritization of Puget Sound related capital projects proposed in the Governor's 2011-13 capital budget to achieve the greatest positive outcomes for protection and recovery of Puget Sound.

Background

In the 2010 Supplemental Capital budget, the Legislature amended the Partnership's enabling statute (RCW 90.71.370) to require that the Leadership Council rank

"... projects affecting the protection and recovery of the Puget Sound basin that are proposed in the governor's capital budget...The ranking shall include recommendations for reallocation of total requested funds for Puget Sound basin projects to achieve the greatest positive outcomes for protection and recovery of Puget Sound."

This ranking is to be submitted to the appropriate fiscal committees of the legislature no later than February 1, 2011.

The Action Agenda provides a ranking of Near Term Actions (NTAs) for each of the three strategic priorities of:

- Protect intact ecosystem process, structure and function (Priority A)
- Restore ecosystem processes, structure and function (Priority B)
- Reduce the sources of water pollution (Priority C)

Although the Action Agenda does not contain a ranking of Near Term Actions across all of the strategic priorities, it does rank Near Term Actions within each strategic priority (pg 88-92). This ranking was approved by the Leadership Council and was based upon the criteria of whether and how a Near Term Action:

- Addressed a Priority Threat
- Addressed a Strategic Priority
- Provided the greatest magnitude of benefits
- Addressed multiple ecosystem goals
- Addressed urgency and irreversible damage
- Foster implementation effectiveness, cost, readiness and job creation.

At its November meeting the Leadership Council adopted **Resolution 2010-02**, which encouraged the Governor and the Legislature to support and protect funding in four key areas:

1. Assistance to local governments to protect Washington shorelines
2. Support to the Department of Ecology, Washington State Department of Transportation (WSDOT) and local governments to implement the National Pollutant Discharge Elimination System (NPDES) stormwater permits and to retrofit existing stormwater systems.
3. Salmon habitat restoration grants through the Puget Sound Acquisition and Restoration Program and the Estuary and Salmon Restoration Program.
4. Maintenance and enhancement for the Department of Ecology and Fish and Wildlife's oil spill prevention and inspection program.

Ranking Process and Outcome

To complete the ranking, Partnership staff undertook a two-step process. First, each capital project was assigned to its appropriate Near Term Action (NTA). For several Near Term Actions this resulted in multiple capital appropriations.

Second, the Near Term Actions and associated capital appropriations were sorted into tiers. Because there is no overall ranking across Priority A, B and C, those NTA's with capital appropriations were sorted into tiers based upon their ranking within each priority. For example, the first ranked NTA for priority A was lumped with the first ranked NTA's for Priority B and Priority C etc). This methodology resulted in seven separate tiers. This ranking is shown in the attached list.

Tier 1 includes two of the four priorities set by the Leadership Council, including salmon habitat restoration and stormwater retrofits. The second tier includes the most significant water quality grant and loan programs administered by the Department of Ecology and the Public Works Board at the state Department of Commerce. Tier 3 contains fish passage barrier removal projects and forest road improvement projects.

Although the legislative proviso asked that the Leadership Council make recommendations for reallocation of funding within the Governor's capital budget, PSP staff is not recommending any reallocation at this time. This ranking reflects the priority of the Action Agenda. This was based upon the knowledge that the Partnership does not yet have the results of our performance management and monitoring programs to make such reallocation recommendations. However, Partnership staff would recommend that if reductions are required in the overall level of funding that the legislature start with projects lower on the ranked list of capital projects.

Action Agenda Consistency

This recommendation aligns with the Action Agenda priorities.

Stakeholder Input

The proposed approach for ranking has been discussed with the Governor's Office and the Office of Financial Management. The ranked list will be shared with the Governor's Office, the Office of Financial Management other state agencies and local implementation organizations. Any feedback will be provided at the Leadership Council meeting.

Consequences of Delay

If the ranking is not approved we will miss our commitment to the Legislature to provide the ranking soon after the Leadership Council's February 17th meeting. Delay to the April Leadership Council meeting will miss the Legislative deadlines to meaningfully influence decisions on the 2011-13 Capital budget.

Attachments:

- Resolution 2011-04
- Ranking of Governor's 2011-13 Capital Budget request related to Puget Sound

Resolution 2011-04 Ranking of Puget Sound related capital projects in the Governor's 2011-13 Capital Budget

WHEREAS, Engrossed Substitute House Bill 2836 from the 2010 legislative session requires the Leadership Council to rank projects affecting the protection and recovery of the Puget Sound basin proposed in the Governor's 2011-13 capital budget and to submit this list to the appropriate fiscal committees of the legislature no later than February 1, 2011.

WHEREAS, the Action Agenda ranks Near Term Actions for three of Action Agenda's strategic priorities of: Protect intact ecosystem process, structure and function (Priority A), Restore ecosystem processes, structure and function (Priority B) Reduce the sources of water pollution (Priority C) which can be used as the basis for this ranking; and

WHEREAS, the Leadership Council adopted Resolution 2010-02 requesting that the Governor and Legislature support funding for two important capital budget priorities of stormwater retrofits through the Department of Ecology and salmon habitat restoration grants through the Puget Sound Acquisition and Restoration Program and the Estuary and Salmon Restoration Program;

NOW, THEREFORE BE IT RESOLVED, that the Leadership Council of the Puget Sound Partnership adopts the attached ranking of capital budget projects contained in the Governor's 2011-13 Capital budget proposal, and directs staff to transmit the list along with explanatory materials to the appropriate legislative committees, the Governor's Office and the Office of Financial Management.

BE IT FURTHER RESOLVED, that

Resolution Moved By: _____

Resolution Seconded By: _____

Approved/Denied/Deferred (underline one)

DATE: _____

Puget Sound Partnership's Ranking of the Governor's 2011-13 Biennial Capital Budget Proposal
required by ESHB 2836 (2010 Session)

Capital Project Title	Agency	Action Agenda Near Term Action	Brief Description	CAPITAL BUDGET *		
				State Bonds	Other Funds	Total Capital
			Tier 1			
Forest Legacy	DNR	A.2.N1	The U.S. Forest Service administers the Forest Legacy Program to acquire development rights from landowners to keep forest lands working without the economic pressure to sell these properties for residential or commercial uses (Forest Legacy) Includes the Pysht Costal Forest Acquisition (GF-Federal)		\$3,000,000	\$3,000,000
Coastal Wetlands Federal Funds Administration	Ecology	A.2.N1	This project provides grants to state or local entities from two federal grant programs to acquire coastal wetlands and estuarine lands that have significant conservation, recreation, or ecological values. The Coastal and Estuarine Land Conservation Program is administered by the National Oceanic and Atmospheric Administration. The National Coastal Wetland Conservation Grant Program is administered by the U.S. Fish & Wildlife Service. Specifically, coastal areas support a high percentage of our threatened and endangered species, fishery resources (salmon and steelhead), migratory songbirds, and migrating and wintering waterfowl. Projects anticipated to be funded in the first year of the biennium would be located in Jefferson, Whatcom, Thurston and Snohomish counties (General Fund-Federal).		\$15,312,000	\$15,312,000
Puget Sound Restoration	RCO	B.1.N1	Funding for ecosystem restoration projects that restore river delta and flood plains and shorelines, and remove fish passage barriers that are part of the Puget Sound Acquisition and Restoration Program. Request level set by Puget Sound Partnership consistent with levels needed to meet action agenda targets.	\$15,000,000		\$15,000,000
Puget Sound Estuary and Salmon Restoration Program	RCO	B.1.N1	Provides funding for the Estuary and Salmon Restoration Program. Projects are solicited, reviewed and selected by the Department of Fish and Wildlife and the Puget Sound Partnership. The grants are administered by RCO.	\$5,000,000		\$5,000,000

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Capital Project Title	Agency	Action Agenda Near Term Action	Brief Description	State Bonds	Other Funds	Total Capital
Community Partnership Restoration Grants	PSP	B.1.N1	The Puget Sound Community Partnership Restoration Program provides federal grants from the National Oceanic and Atmospheric Administration to local governments, watershed groups and salmon recovery organizations for restoration projects in the deltas of large river systems of Puget Sound with a strategic focus on the Whidbey Basin. Specific projects will be identified through the Estuary and Salmon Restoration Program at RCO. (General Fund-Federal)		\$4,450,000	\$4,450,000
Salmon Recovery Funding Board Programs	RCO	B.1.N1	Provides funding for salmon recovery projects, project administration, lead entities, and regional salmon organizations. (General Fund-Federal, Salmon Recovery Account)	\$4,400,000	\$26,427,280	\$30,827,280
Puget Sound Washington Wildlife and Recreation Program	RCO	A.2.N1	Provides funding for acquisition and restoration projects in Puget Sound drawn from projects submitted for grants through the Washington Wildlife and Recreation Program. Projects were selected based upon location, and job creation criteria. Projects selected come from the Riparian, State Lands Restoration, Urban Wildlife, Water Access and Farmland Preservation categories.	\$20,000,000		\$20,000,000
Stormwater	Ecology	C.2.N6	Grants will be provided to local governments covered by the Phase I and Phase II NPDES Municipal Stormwater Permits for projects to reduce the impact of stormwater on Puget Sound. Types of projects funded include stormwater retrofit and Low Impact Development Projects. (Local Toxics Control Account)		\$40,000,000	\$40,000,000
Tier 2						
Land Acquisition Grants	DNR	A.4.N4	The federal Cooperative Endangered Species Conservation Fund was established to reduce conflicts between the conservation of threatened and endangered species and land development. (General Fund-Federal)		\$8,000,000	\$8,000,000

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Capital Project Title	Agency	Action Agenda Near Term Action	Brief Description	State Bonds	Other Funds	Total Capital
Centennial Clean Water Program	Ecology	C.3.N2	The Centennial Clean Water Program provides grants and loans to public bodies to finance planning, implementation, design, acquisition, and construction of water pollution control facilities and nonpoint activities. Ecology uses the funds primarily for grants, and distributes them through a statewide competitive rating and ranking prioritization process. Grants address the highest priority statewide water quality needs, including small communities that are financially distressed, water quality problems associated with urban and rural activities, The work accomplished by local governments using Centennial Clean Water funds is an integral and essential part of the state's strategy to reduce the pollution and protect Puget Sound' marine waters estuaries, lakes, rivers, and groundwater resources.	\$18,000,000	\$0	\$18,000,000
Water Pollution Control Revolving Fund Program	Ecology	C.3.N2	Congress established the Water Pollution Control Revolving Account (WPCRA) or State Revolving Fund (SRF) under the Federal Clean Water Act to provide low-interest loans to local governments for high-priority water quality projects. Local governments use these funds for planning, designing, acquiring, constructing, and improving water pollution control facilities and related activities that help meet state and federal water pollution control requirements. The work accomplished by local governments using SRF money is an integral and essential part of the state's strategy to reduce pollution and protect Puget Sound's marine waters, estuaries, lakes, rivers, and groundwater resources.	\$0	\$110,523,000	\$110,523,000
Public Works Trust Fund	Commerce	C.3.N2	This program provides low interest loans to local governments to upgrade and develop infrastructure essential to public health, environmental health and economic vitality. In Puget Sound these loans focus on stormwater and wastewater projects. (Public Works Assistance Account)		\$96,000,000	\$96,000,000
Tier 3						

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Capital Project Title	Agency	Action Agenda Near Term Action	Brief Description	CAPITAL BUDGET *		
				State Bonds	Other Funds	Total Capital
Forest Riparian Easement Program	DNR	A.4.N1	The Forestry Riparian Easement Program compensates eligible small forest landowners in exchange for a 50-year easement on the timber the landowner is required to leave unharnessed as a result of forest practices rules protecting Washington's forests and fish. Landowners cannot cut or remove the qualifying timber during the easement period. The landowner still owns the property and retains full access, but has "leased" the trees and their associated riparian function to the state.	\$1,000,000		\$1,000,000
Cherry Valley Fish Passage and Stream Restoration	WDFW	B.1.N4	This project will remove 22 fish passage barriers in the Cherry Valley Unit of the Snoqualmie Wildlife Area, in King County opening up 7.4 miles of stream habitat. Fish barrier removal is in response to Washington State fish passage laws and the culvert court case.	\$1,451,000	\$0	\$1,451,000
Minor Works -Fish Passage Barrier Correction	WDFW	B.1.N4	This project will remove fish passage barriers and correct unscreened diversions on State Wildlife Areas and hatcheries.	\$450,000	\$0	\$450,000
Family Forest Fish Passage Program	DNR	B.1.N4	This program eliminates fish passage barriers and opens up fish habitat on small forest landowners' properties through repair, replacement or removal. The federal funds will also support continued inventory of barriers on small forest landowners' streams. This will help implement the state's Forest and Fish HCP and sustain its Clean Water Act Assurances (General Fund-Federal).	\$580,000	\$4,350,000	\$4,930,000
Fish Barrier Removal	Parks	B.1.N4	This project removes fish passage barriers (culverts) on streams that lie on State Park properties within the area affected by the Western Washington Treaty Tribes and the United States court cases. Barriers will be removed at Dosewallips, Bogachiel, Scenic Beach, Wallace Falls and Flaming Geyser State Parks	\$1,088,000	\$0	\$1,088,000
Tier 4						

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Capital Project Title	Agency	Action Agenda Near Term Action	Brief Description	CAPITAL BUDGET *		
				State Bonds	Other Funds	Total Capital
Watershed Plan Implementation and Flow Achievement	Ecology	A.3.N4	Twenty nine local watershed plans have been developed and adopted by local county boards using state grant funds authorized by Chapter 90.82 RCW (Watershed Planning). The completed plans cover all or parts of 38 statewide Water Resource Inventory Areas (WRIAs) and have identified many capital needs. These include rehabilitating existing water systems, water conservation, and acquiring existing water rights for instream flow and other future needs. These projects and acquisitions will help the state, local governments, and other stakeholders meet future water needs and achieve recommended instream flows.	\$2,400,000	\$0	\$2,400,000
Reducing Health Threats from Diesel Emissions	Ecology	C.1.N6	Exposure to diesel exhaust, our state's number one airborne health threat, increases cancer risk and causes or worsens asthma, heart disease, and lung diseases. Public exposures are notably increased near ports, distribution centers, rail yards, and other areas. This is where heavy-duty diesel engines on buses, trucks, locomotives, cargo-handling equipment, and vessels operate in close proximity to populated areas. Strategies to reduce these emissions include exhaust retrofits, anti-idling programs/idle-reduction technologies, and fuel-efficiency measures. Installing these technologies will greatly reduce public health costs and lessen operating expenses for engine owners. Grant funds will be provided to public entities to reduce diesel emissions in high-risk diesel pollution areas statewide. (Local Toxics Control Account)	\$0	\$3,000,000	\$3,000,000

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Reducing Health Threats from Wood Stove Pollution	Ecology	C.1.N6	Ecology is requesting \$2,000,000 from to reduce the use of old, high-polluting wood stoves in communities facing high public health risk from woodsmoke. Ecology will do this through wood stove change-out programs resulting in up to 100 tons of fine particle pollution being reduced each year. We will also provide other creative strategies to reduce the use of or need for wood for heat in areas around the state at high risk of violating new national ambient air quality standards for fine particles. Proposed areas are either measuring pollution levels that violate existing federal clean air standards or are at risk of violating new standards, and must be returned to clean air status as required by federal law. Smoke from wood burning stoves causes significant health problems including asthma, lung disease, heart disease, stroke and premature death. (State and Local Toxics Control Account)		\$1,200,000	\$1,200,000
Tier 5						
Water Irrigation Efficiencies	Ecology	A.3.N3	Ecology will provide grants to conservation districts to continue helping the agriculture community implement water conservation measures and irrigation efficiencies in fish critical basins. These projects improve instream flows and benefit local farmers.	\$150,000	\$0	\$150,000
Remedial Action Grant Program	Ecology	C.5.N1	Grant funds are provided to local governments for several programs designed for managing, preventing, recycling and cleaning up toxic and solid waste in the land, air and water. Approximately \$280.7 million in local government toxic site cleanup needs have been identified for the 2011 13 biennium. Ecology is requesting pass-through grants to address actual spending requirements, using a "worst first" approach. The requested appropriation will support Remedial Action Grants to clean up contaminated industrial sites that impact the air, land and water resources of the state. (Local Toxics Control Account)		\$31,200,000	\$31,200,000

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				State Bonds	Other Funds	Total Capital
Cleanup Toxic Sites - Puget Sound	Ecology	C.5.N1	Ecology's emphasis on bay wide cleanup in seven priority bays has highlighted a valuable link between toxic site cleanup and habitat restoration. Cleanup and restoration can be done cheaper, better, and quicker because projects are designed and built in a coordinated manner, and equipment and resources are on site to do the work. Projects support identifying shoreline habitat conditions and potential restoration opportunities; engaging project proponents in evaluating options for improved habitat; and, ensuring habitat objectives identified in shoreline and other restoration plans are maximized through the cleanup process (State Toxics Control Account).		\$12,000,000	\$12,000,000
ASARCO - Tacoma Smelter Plume and Mines	Ecology	C.5.N1	Funding is provided to continue cleanup work related to the ASARCO smelter in Tacoma. ASARCO operated a smelter in Tacoma that released arsenic, lead, and other contamination into the air. The pollution settled down to earth, contaminating over 1,000 square miles in the lower Puget Sound. This funding protects public and environmental health, creates jobs and promotes economic development by allowing contaminated properties to be redeveloped (Cleanup Settlement Account)		\$20,647,000	\$20,647,000
BNSF Skykomish Restoration	Ecology	C.5.N1	The Town of Skykomish was the site of a Burlington Northern Santa Fe (BNSF) railway maintenance and fueling facility. During the operation of this facility, over 2,000,000 gallons of fuel spilled and seeped into the Skykomish River. In 2008, Ecology entered into a Consent Decree with the railroad, which called for a \$5,050,000 payment to the State for damages to the environment. Ecology is requesting authority to expend the balance of the settlement funds to complete habitat restoration projects in the Skykomish and Snohomish River watersheds.		\$284,000	\$284,000
Tier 6						

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				State Bonds	Other Funds	Total Capital
Hood Canal Regional Septic Repair Loan Program	Ecology	C.4.N3	This request will provide capitalization for an on-site sewage system revolving loan fund in Kitsap, Mason, Jefferson, and Clallam Counties. The state and federal funding requested will leverage a private capital match to provide income-indexed loans to owners of failing, individual, on-site sewage systems for either repair or replacement of those systems, or abandonment of the system and connection to public sewer. These failing systems pose a public health and environmental hazard to the targeted Hood Canal region. This request will fund repair/replacement of on-site systems. The request will retain jobs in local septic design, repair, or construction small businesses.		\$2,500,000	\$2,500,000
Tier 7						
Voights Creek Hatchery Development	WDFW	D.1.N6		\$1,000,000		\$1,000,000
				\$70,519,000	\$378,893,280	\$449,412,280